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# HOUSE BILL No. 1842

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-12.

**Synopsis:** Tobacco settlement funds. Converts certain existing trust funds to accounts within the Indiana tobacco master settlement agreement fund. Makes conforming changes.

**Effective:** July 1, 2001.

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January 17, 2001, read first time and referred to Committee on Public Health.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1842

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-12-5-1, AS ADDED BY P.L.21-2000, SECTION
- 2 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 3 2001]: Sec. 1. As used in this chapter, "~~fund~~" "**account**" refers to the
- 4 Indiana health care ~~trust fund~~ **account** established by section 3 of this
- 5 chapter.
- 6 SECTION 2. IC 4-12-5-3, AS ADDED BY P.L.21-2000, SECTION
- 7 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 8 2001]: Sec. 3. (a) The Indiana health care ~~trust fund~~ **account** is
- 9 established **within the Indiana tobacco master settlement agreement**
- 10 **fund** for the purpose of promoting the health of the citizens of Indiana.
- 11 The ~~fund~~ **account** consists of:
- 12 (1) amounts, if any, that another statute requires to be distributed
- 13 to the ~~fund~~ **account** from the Indiana tobacco master settlement
- 14 agreement fund;
- 15 (2) appropriations to the ~~fund~~ **account** from other sources; **and**
- 16 (3) grants, gifts, and donations intended for deposit in the ~~fund~~;



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and

(4) interest that accrues from money in the fund: **account**.

(b) The ~~fund~~ **account** shall be administered by the budget agency. Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts. Money in the ~~fund~~ **account** at the end of the state fiscal year does not revert to the state general fund **and remains available for expenditure**.

SECTION 3. IC 4-12-5-4, AS ADDED BY P.L.21-2000, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. Subject to appropriation by the general assembly, review by the budget committee, and approval by the budget agency, the ~~treasurer~~ **auditor** of state shall distribute money from the ~~fund~~ **account** to public or private entities or individuals for the implementation of programs concerning one (1) or more of the following purposes:

- (1) The children's health insurance program established under IC 12-17.6.
- (2) Cancer detection tests and cancer education programs.
- (3) Heart disease and stroke education programs.
- (4) Assisting community health centers in providing:
  - (A) vaccinations against communicable diseases, with an emphasis on service to youth and senior citizens;
  - (B) health care services and preventive measures that address the special health care needs of minorities (as defined in IC 16-46-6-2); and
  - (C) health care services and preventive measures in rural areas.
- (5) Promoting health and wellness activities.
- (6) Encouraging the prevention of disease, particularly tobacco related diseases.
- (7) Addressing the special health care needs of those who suffer most from tobacco related diseases, including end of life and long term care alternatives.
- (8) Addressing minority health disparities.
- (9) Addressing the impact of tobacco related diseases, particularly on minorities and females.
- (10) Promoting community based health care, particularly in areas with a high percentage of underserved citizens, including

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1 individuals with disabilities, or with a shortage of health care  
2 professionals.

3 (11) Enhancing local health department services.

4 (12) Expanding community based minority health infrastructure.

5 (13) Other purposes recommended by the Indiana health care trust  
6 fund advisory board established by section 5 of this chapter.

7 SECTION 4. IC 4-12-5-5, AS ADDED BY P.L.21-2000, SECTION  
8 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
9 2001]: Sec. 5. (a) The Indiana health care ~~trust fund~~ **account** advisory  
10 board is established. The advisory board shall meet at least quarterly  
11 and at the call of the chairperson to make recommendations to the  
12 governor, the budget agency, and the general assembly concerning the  
13 priorities for appropriation and distribution of money from the ~~fund~~  
14 **account**.

15 (b) The advisory board consists of the following:

16 (1) The following three (3) ex officio members:

17 (A) The director of the budget agency or the director's  
18 designee.

19 (B) The commissioner of the state department of health or the  
20 commissioner's designee.

21 (C) The secretary of family and social services or the  
22 secretary's designee.

23 (2) Two (2) members of the senate, who may not be members of  
24 the same political party, appointed by the president pro tempore  
25 of the senate.

26 (3) Two (2) members of the house of representatives, who may  
27 not be members of the same political party, appointed by the  
28 speaker of the house.

29 (4) The following appointees by the governor who represent the  
30 following organizations or interests:

31 (A) The Indiana Dental Association.

32 (B) The Indiana Hospital and Health Association.

33 (C) The Indiana Minority Health Coalition.

34 (D) The Indiana Chapter of the American Academy of  
35 Pediatrics.

36 (E) The Indiana State Medical Association.

37 (F) The Indiana State Nurses Association.

38 (G) The Indiana Health Care Association.

39 (H) A local health officer or a rural health organization.

40 (I) A primary health care organization.

41 (J) A senior citizens organization.

42 (K) The Indiana Chapter of the National Medical Association.

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(L) A consumer or representative of an end of life care organization, an alternative to long term care services, or a disability organization.

(M) A psychiatrist licensed under IC 25-22.5 or a psychologist licensed under IC 25-33.

(c) The term of office of a legislative member of the advisory board is four (4) years. However, a legislative member of the advisory board ceases to be a member of the advisory board if the member:

(1) is no longer a member of the chamber from which the member was appointed; or

(2) is removed from the advisory board under subsection (d).

(d) A legislative member of the advisory board may be removed at any time by the appointing authority who appointed the legislative member.

(e) The term of office of a member of the advisory board appointed under subsection (b)(4) is four (4) years. However, these members serve at the pleasure of the governor and may be removed for any reason.

(f) If a vacancy exists on the advisory board with respect to a legislative member or the members appointed under subsection (b)(4), the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

(g) The governor shall appoint a member of the advisory committee to serve as chairperson.

(h) Eleven (11) members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least eleven (11) members of the advisory board is necessary for the advisory board to take action.

(i) Each member of the advisory board who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) Each member of the advisory board who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget

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agency.

(k) Each member of the advisory board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(l) Payments authorized for members of the advisory board under subsections (i) through (k) are payable from the ~~Indiana tobacco master settlement agreement fund~~ **account**.

(m) The budget agency shall serve as the staff to the advisory committee.

SECTION 5. IC 4-12-5-6, AS ADDED BY P.L.21-2000, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. A public or private entity or an individual may submit an application to the board for a grant from the ~~fund~~ **account**. Each application must be in writing and contain the following information:

(1) A clear objective to be achieved with the grant.

(2) A plan for implementation of the specific program.

(3) A statement of the manner in which the proposed program will further the goals of the Indiana tobacco use prevention and cessation board's mission statement and long range state plan under IC 4-12-4.

(4) The amount of the grant requested.

(5) An evaluation and assessment component to determine the program's performance.

(6) Any other information required by the advisory board.

The advisory board may adopt written guidelines to establish procedures, forms, additional evaluation criteria, and application deadlines.

SECTION 6. IC 4-12-5-7, AS ADDED BY P.L.21-2000, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. Appropriations and distributions from the ~~fund~~ **account** under this chapter are in addition to and not in place of other appropriations or distributions made for the same purpose.

SECTION 7. IC 4-12-6-1, AS ADDED BY P.L.21-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter, "~~fund~~" **"account"** refers to the biomedical technology and basic research ~~trust fund~~ **account** established by section 3 of this chapter.

SECTION 8. IC 4-12-6-3, AS ADDED BY P.L.21-2000, SECTION



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4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) The biomedical technology and basic research ~~trust fund~~ **account** is established **within the Indiana tobacco master settlement agreement fund** for the purpose of making distributions to the Indiana twenty-first century research and technology fund established by IC 4-4-5-1. **purposes set forth in section 4 of this chapter.** The ~~fund~~ **account** consists of:

- (1) amounts, if any, that another statute requires to be distributed to the ~~fund~~ **account** from the Indiana tobacco master settlement agreement fund; **and**
- (2) grants, gifts, and donations intended for deposit in the ~~fund~~; **and**
- (3) interest that accrues from money in the ~~fund~~; **account.**

(b) The ~~fund~~ **account** shall be administered by the budget agency. Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10-3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts. Money in the ~~fund~~ **account** at the end of the state fiscal year does not revert to the state general fund **and remains available for expenditure.**

SECTION 9. IC 4-12-6-5, AS ADDED BY P.L.21-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Appropriations and distributions from the ~~fund~~ **account** under this chapter are in addition to and not in place of other appropriations or distributions made for the same purpose.

SECTION 10. IC 4-12-7-1, AS ADDED BY P.L.21-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter, "~~fund~~" "**account**" refers to the Indiana local health department ~~trust fund~~ **account** established by section 4 of this chapter.

SECTION 11. IC 4-12-7-4, AS ADDED BY P.L.21-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. (a) The Indiana local health department ~~trust fund~~ **account** is established **within the Indiana tobacco master settlement agreement fund** for the purpose of making distributions to each county to provide funding for services provided by local boards of health in that county. The ~~fund~~ **account** consists of:

- (1) money required to be distributed to the ~~fund~~ **account** under subsection (b);



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(2) additional amounts, if any, that another statute requires to be distributed to the ~~fund~~ **account** from the Indiana tobacco master settlement agreement fund;

(3) appropriations to the ~~fund~~ **account** from other sources; **and**

(4) grants, gifts, and donations intended for deposit in the ~~fund~~; **and**

(5) ~~interest that accrues from money in the fund~~; **account.**

(b) Three million dollars (\$3,000,000) of the money received by the state under the master settlement agreement during each calendar year beginning on or after January 1, 2001, shall be distributed to the ~~fund~~ **account** from the Indiana tobacco master settlement agreement fund.

(c) The ~~fund~~ **account** shall be administered by the ~~budget agency~~. Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts: **state department of health**. Money in the ~~fund~~ **account** at the end of the state fiscal year does not revert to the state general fund **and remains available for expenditure.**

SECTION 12. IC 4-12-7-5, AS ADDED BY P.L.21-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) Subject to subsection (b) and subject to review by the budget committee and approval by the budget agency, on July 1 of each year the ~~treasurer~~ **auditor** of state shall distribute money from the ~~fund~~ **account** to each county in the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of money, if any, available for distribution from the ~~fund~~; **account.**

STEP TWO: Subtract nine hundred twenty thousand dollars (\$920,000) from the amount determined under STEP ONE.

STEP THREE: Multiply the STEP TWO remainder by a fraction. The numerator of the fraction is the population of the county. The denominator of the fraction is the population of the state.

STEP FOUR: Add ten thousand dollars (\$10,000) to the STEP THREE product.

(b) If less than nine hundred twenty thousand dollars (\$920,000) is available for distribution from the ~~fund~~ **account** on July 1 of any year, the amount of the distribution from the ~~fund~~ **account** to each county is determined under STEP TWO of the following formula.



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1 STEP ONE: Determine the amount of money, if any, available for  
2 distribution from the ~~fund~~ **account**.

3 STEP TWO: Multiply the STEP ONE amount by a fraction. The  
4 numerator of the fraction is the population of the county. The  
5 denominator of the fraction is the population of the state.

6 SECTION 13. IC 4-12-7-8, AS ADDED BY P.L.21-2000,  
7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2001]: Sec. 8. Appropriations and distributions from the ~~fund~~  
9 **account** under this chapter are in addition to, and not in place of, other  
10 appropriations or distributions made for the same purpose.

11 SECTION 14. IC 4-12-7-9, AS ADDED BY P.L.21-2000,  
12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2001]: Sec. 9. Money in the ~~fund~~ **account** is annually  
14 appropriated for the purposes described in this chapter.

15 SECTION 15. IC 4-12-8-1, AS ADDED BY P.L.21-2000,  
16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2001]: Sec. 1. As used in this chapter, "~~fund~~" "**account**"  
18 refers to the Indiana prescription drug ~~fund~~ **account** established by  
19 section 2 of this chapter.

20 SECTION 16. IC 4-12-8-2, AS ADDED BY P.L.21-2000,  
21 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2001]: Sec. 2. (a) The Indiana prescription drug ~~fund~~ **account**  
23 is established **within the Indiana tobacco master settlement**  
24 **agreement fund** for the purpose of providing access to needed  
25 prescription drugs to ensure the health and welfare of Indiana's  
26 low-income senior citizens. The ~~fund~~ **account** consists of:

- 27 (1) amounts to be distributed to the ~~fund~~ **account** from the
- 28 Indiana tobacco master settlement agreement fund;
- 29 (2) appropriations to the ~~fund~~ **account** from other sources; **and**
- 30 (3) grants, gifts, and donations intended for deposit in the ~~fund~~;
- 31 **and**
- 32 ~~(4) interest that accrues from money in the fund;~~ **account.**

33 (b) The ~~fund~~ **account** shall be administered by the budget agency.  
34 Expenses for administration and benefits under the Indiana prescription  
35 drug program established under IC 12-10-16 shall be paid from the  
36 ~~fund~~. ~~Notwithstanding IC 5-13, the treasurer of state shall invest the~~  
37 ~~money in the fund not currently needed to meet the obligations of the~~  
38 ~~fund in the same manner as money is invested by the public employees~~  
39 ~~retirement fund under IC 5-10.3-5. The treasurer of state may contract~~  
40 ~~with investment management professionals, investment advisors, and~~  
41 ~~legal counsel to assist in the management of the fund and may pay the~~  
42 ~~state expenses incurred under those contracts.~~ **account.** Money in the

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1 ~~fund~~ **account** at the end of the state fiscal year does not revert to the  
2 state general fund **and remains available for expenditure.**

3 SECTION 17. IC 4-12-8-3, AS ADDED BY P.L.21-2000,  
4 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2001]: Sec. 3. Appropriations and distributions from the ~~fund~~  
6 **account** under this chapter are in addition to, and not in place of, other  
7 appropriations or distributions made for the same purpose.

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